

## N.V. Hagelunie

### Statutory Conditions - Québec CA-10.1

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## Statutory conditions - Québec

These conditions apply to an insurance contract deemed to have been made in Québec. These conditions apply to all coverages under this policy and are in addition to the “Terms and Conditions” of the policy. To the extent that the “Terms and Conditions” of the policy conflict with these conditions, these conditions shall prevail.

### 1. Representations and Warranties of the Applicant and the Insured

- 1) The applicant for insurance, and the insured, are bound to represent all the facts known to him which are likely to materially influence an insurer in the setting of the premium, the appraisal of the risk or the decision to cover it, but he is not bound to represent facts that the insurer knows or is presumed to know because of their notoriety, except in answer to inquiries.
- 2) Any misrepresentation or concealment of the facts described in conditions 1(1) or 2(1) hereof by either the applicant for insurance or the insured nullifies the insurance contract at the instance of the insurer, even with respect to losses not connected with the risks so misrepresented or concealed.
- 3) A breach of warranty aggravating the risk suspends the coverage. The suspension ceases as soon as the insurer has acquiesced or the insured has remedied the breach.

### 2. Increase in Risk

- 1) The insured must promptly notify the insurer of any circumstance that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.
- 2) On being notified of the new circumstances, the insurer may cancel the contract of insurance or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the insured within 30 days of the proposal, the policy ceases to be in force.

### 3. Assignment; Change of Interest

- 1) No interest in this policy may be transferred or assigned without the written consent of the insurer, and then only in favour of a person who has an insurable interest in the insured property.
- 2) Upon the death or bankruptcy of the insured or an assignment of his interest to a co insured, the insurance continues in favour of the heir, trustee in bankruptcy or remaining insured, subject to his performing the obligations to which the insured was bound.

### 4. Cancellation of Insurance

- 1) This policy may be cancelled at any time by the insurer giving written notice to each of the named insureds under this policy. Such termination will take effect 15 days after notice is received by the insured at his last known address, and the insurer must refund the excess of premium actually paid by the insured over the prorated premium for the expired time.
- 2) This policy may be cancelled at any time by mere written notice to the insurer by each of the named insureds under the policy. Such termination will take effect upon receipt of such notice, and the insurer must refund the excess of the premium actually paid by the insured over the short term rate for the expired time. [NTD: Is there to be a table written into the policy/declaration pages showing the short term premium rates? This comment also applies to insurance contracts applicable to the other provinces.]
- 3) If one or more of the named insureds under the policy have been mandated to send or receive the notices described in conditions 4(1) or (2) hereof, then notices sent or received by them shall be deemed to have been sent or received by all named insureds.

## 5. Notice of Loss and Payment of Indemnity

- 1) The insured must notify the insurer of any loss or damage which may fall under the coverage, as soon as he becomes aware of it. Any interested person may give such notice.
- 2) If there has not been full compliance with the requirement described in condition 5(1) hereof, then all rights to compensation and indemnity shall be forfeited by the insured where such non compliance has caused injury or prejudice to the insurer.
- 3) The insured must notify the insurer as soon as possible of
  - a) all the circumstances surrounding the loss or damage such as, but not limited to, its probable cause,
  - b) the nature and extent of the loss or damage,
  - c) the location of the insured property,
  - d) the rights of third persons, and
  - e) any concurrent insurance.He shall also provide the insurer with vouchers and attest under oath to the truth of the information. Where, for a serious reason, the insured is unable to fulfil the obligations described in this condition 5(3), he is entitled to a reasonable time to do so. If the insured fails to fulfil such obligation, then any interested person may do so on his behalf.
- 4) Any deceitful representation entails the loss of the right of the person making it to any indemnity for the risk to which the representation relates. However, if the occurrence of the risk insured against has entailed the loss of both movable and immovable property or of both property for occupational use and personal property, then forfeiture is incurred only with respect to the class of property to which the representation relates.
- 5) The insurer must pay the indemnity within 60 days after receiving the notice of loss or, if the insurer requested them, the relevant information and vouchers, provided that the insured had fully complied with all of the terms and conditions of the insurance contract.

## 6. Other Property Insurance

- 1) The insured who, without fraud, is insured by several insurers, under several insurance policies, for the same interest and against the same risk, with the effect that the total amount of indemnity that would result from the separate performance of such policies would exceed the loss incurred, may be indemnified by the insurer or insurers of his choice, each being liable only for the amount for which he has contracted.
- 2) No clause suspending all or part of the performance of the insurance contract by reason of plurality of insurance may be set up against the insured.
- 3) Subject to the provisions in the "Terms and Conditions" of this policy, the indemnity is apportioned among the insurers in proportion to the share of each in the total coverage, except with respect to specific insurance, which constitutes primary insurance.

## 7. Repair or Replacement

Subject to the rights of prior and hypothecary creditors, the insurer, instead of making payments, may repair, rebuild or replace the insured property lost or damaged, on giving written notice of its intention to do so. [NTD: The Civil Code (Québec) provides that the insurer may reserve this right in the policy; in other words, the insurer does not have this right unless it is expressly set out in the insurance contract.]

## 8. Currency

Insurance money is payable in Canadian dollars.